

CAPITAL AREA CASA ASSOCIATION
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/22/09

CAPITAL AREA CASA ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Capital Area CASA Association
Baton Rouge, LA

We have audited the accompanying statement of financial position of Capital Area CASA Association (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Capital Area CASA Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area CASA Association as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2009, on our consideration of Capital Area CASA Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Capital Area CASA Association taken as a whole. The accompanying schedule of TANF grant revenue and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chester & Associates, LLC

Baton Rouge, LA

June 22, 2009

Capital Area CASA Association
STATEMENT OF FINANCIAL POSITION
December 31, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,339,047
Investments	191,802
Grants receivable	67,226
Prepaid expenses	<u>3,881</u>
Total current assets	1,601,956

Fixed Assets

Land	100,000
Building	179,292
Construction in progress	67,769
Furniture & fixtures	110,255
Less: Accumulated depreciation	<u>(140,708)</u>
Net fixed assets	<u>316,608</u>
Total assets	<u>\$ 1,918,564</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 7,794
Payroll withholding	<u>1,328</u>
Total current liabilities	<u>9,122</u>

Net assets

Unrestricted	1,570,065
Temporarily restricted	<u>339,377</u>
Total net assets	<u>1,909,442</u>
Total liabilities and net assets	<u>\$ 1,918,564</u>

The accompanying notes are an integral part of this statement.

Capital Area CASA Association
STATEMENT OF ACTIVITIES
For the year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant income	\$ 400,791	\$ 3,000	\$ 403,791
Contributions	32,440		32,440
Raffle proceeds	7,955		7,955
Court costs	130,875		130,875
Donated services	166,455		166,455
Capital campaign	0	195,533	195,533
Interest income	41,547		41,547
Other cash donations	43,069	2,500	45,569
Sponsor donations	52,500		52,500
CASAS for CASA donations	3,710		3,710
Fiesta	3,100		3,100
Auction	12,196		12,196
Net assets released from restrictions	<u>87,682</u>	<u>(87,682)</u>	<u>0</u>
Total revenues and other support	<u>982,320</u>	<u>113,351</u>	<u>1,095,671</u>
EXPENSES			
Program services	724,432		724,432
Management and general	68,404		68,404
Fundraising	<u>33,717</u>		<u>33,717</u>
Total expenses	826,553		826,553
Unrealized (gain) loss	(11,507)		(11,507)
Realized (gain) loss	<u>(15)</u>		<u>(15)</u>
Total expenses, gains, and losses	<u>815,031</u>		<u>815,031</u>
Increase (decrease) in net assets	167,289	113,351	280,640
Net assets, beginning of year	<u>1,402,776</u>	<u>226,026</u>	<u>1,628,802</u>
Net assets, end of year	<u>\$ 1,570,065</u>	<u>\$ 339,377</u>	<u>\$ 1,909,442</u>

The accompanying notes are an integral part of this statement.

Capital Area CASA Association
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2008

	Program Services Child Advocacy	Management and General	Fundraising	Totals
Audit	\$ 0	\$ 7,000	\$ 0	\$ 7,000
Casual labor	0	20,696	0	20,696
Depreciation	9,503	700	568	10,771
Educational services	460	0	0	460
Employee benefits	265	19	16	300
Equipment expense	11,201	825	669	12,695
Foster child emergency fund	371	0	0	371
Fundraising expense	0	0	4,429	4,429
Insurance:				
Health	23,013	1,694	1,376	26,083
Liability	11,555	851	691	13,097
Workmen's compensation	2,051	151	123	2,325
Interest expense	19	1	1	21
Library and subscriptions	1,452	0	0	1,452
Miscellaneous	0	4,646	0	4,646
Mileage	8,576	631	513	9,720
Office supplies	4,378	322	262	4,962
Payroll taxes	26,840	1,976	1,604	30,420
Postage	4,651	342	278	5,271
Printing	5,256	387	314	5,957
Professional dues	211	0	0	211
Repair and maintenance	11,909	877	712	13,498
Retirement contribution	9,755	717	583	11,055
Salaries	347,340	25,569	20,766	393,675
Staff training	6,909	0	0	6,909
Telephone	7,127	525	426	8,078
Utilities	6,453	475	386	7,314
Volunteer recruitment	48,500	0	0	48,500
Volunteer recognition	1,223	0	0	1,223
Volunteer services	166,455	0	0	166,455
Volunteer training	8,959	0	0	8,959
	<u>\$ 724,432</u>	<u>\$ 68,404</u>	<u>\$ 33,717</u>	<u>\$ 826,553</u>

The accompanying notes are an integral part of this statement.

Capital Area CASA Association
STATEMENT OF CASH FLOWS
For the year ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ <u>280,640</u>
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Adjustments to reconcile increase in net assets to net cash provided
by operating activities:

Depreciation	10,771
Increase in grants receivable	(14,214)
Increase in prepaid expenses	(101)
Increase in accounts payable	3,450
Increase in payroll withholding	1,070
Unrealized gain on investments	<u>(11,507)</u>
 Total adjustments	 <u>(10,531)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>270,109</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Cash payments for construction in progress	(24,549)
Proceeds from redemption of investments	<u>57,218</u>

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>32,669</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	302,778
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,036,269</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,339,047</u>
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The accompanying notes are an integral part of this statement.

Capital Area CASA Association
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Capital Area CASA Association is a nonprofit corporation organized under the laws of Louisiana on May 13, 1992. The corporation was formed for the purpose of recruiting and training volunteers who will become court appointed advocates for abused and neglected children. The organization's stated goal is "a safe and permanent home for every child." The Organization is primarily funded through grants from various organizations and state agencies as well as contributions.

BASIS OF ACCOUNTING

The financial statements of Capital Area CASA Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

DONATED SERVICES

The organization receives a substantial amount of services donated by program volunteers acting as court appointed advocates for children served by Capital Area CASA Association. It also receives donated services in connection with the training of those volunteers. These services are valued using an hourly rate published by the Independent Sector.

The value of these donations is reflected in the financial statements as revenue and expenses.

Capital Area CASA Association
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

INCOME TAX STATUS

The organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). In addition, the organization qualifies for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Internal Revenue Code Section 509(a)(2).

PROMISES TO GIVE

Promises to give are recognized as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received, when the donor makes an unconditional promise to give. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The organization capitalizes fixed assets with a cost of \$1,000 or more. The organization also capitalizes real property improvements and leasehold improvements with a cost of \$5,000 or more, and capitalizes repairs with a cost of \$5,000 or more if not covered by insurance. Certain furniture and fixtures included on the Statement of Financial Position, in the amount of \$37,661 with related accumulated depreciation of \$36,001, have donor imposed restrictions on the disposal of these assets.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Area CASA Association
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

NOTE 2: INVESTMENTS

Investments as of December 31, 2008, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Unrestricted:			
Federal National Mortgage Association securities	\$ 39,977	\$ 38,469	\$ 38,469
Federal Home Loan Mortgage Corporation securities	144,781	138,900	138,900
Government National Mortgage Association securities	14,591	14,433	14,433
	<u>\$ 199,349</u>	<u>\$ 191,802</u>	<u>\$ 191,802</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2008:

Interest income	\$ 13,560
Unrealized gain	11,507
Realized gain	<u>15</u>
Total investment return	<u>\$ 25,082</u>

NOTE 3: DONATED SERVICES

The value of donated services included in the financial statements and the corresponding expenses for the year ended December 31, 2008, are:

Casework	\$ 119,799
Training	<u>46,656</u>
	<u>\$ 166,455</u>

NOTE 4: FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of temporary cash investments. The organization places its temporary cash equivalents with financial institutions. As of December 31, 2008, the organization had no temporary cash investments in excess of the FDIC insurance limits.

The estimated fair value of the organization's financial instruments, none of which were held for trading purposes, are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash	\$ 1,139,677	\$ 1,139,677
Certificates of Deposit	199,370	199,370
Investments	<u>191,802</u>	<u>191,802</u>
	<u>\$ 1,530,849</u>	<u>\$ 1,530,849</u>

Capital Area CASA Association
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

NOTE 5: ECONOMIC DEPENDENCY

The organization received approximately 43% of its total revenues and other support, excluding donated services, from federal and state grants.

NOTE 6: EMPLOYEE BENEFIT PLAN

The organization has a defined contribution salary deferral plan covering all employees. Under the plan, the organization matches the employee's contribution up to three percent of each eligible employee's salary. Plan expenses incurred by the organization during 2008 were \$11,055.

NOTE 7: CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$199,370 are included in cash and cash equivalents in the accompanying financial statements. The certificates bear interest ranging from 2.00% to 3.48% and have maturities ranging from three to five months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

NOTE 8: BOARD DESIGNATED RESERVE

In January 2004, the Board approved the establishment of an operating reserve to segregate an amount equaling approximately 50% of the adopted annual budgeted expenditures. For the year ended December 31, 2008, this amount is approximately \$360,000.

NOTE 9: RESTRICTION ON NET ASSETS

A substantial portion of the restricted net assets are related to funds raised through a capital campaign, a drive to raise funds to build a new building for the organization's operations. To fund the costs, the Organization has raised support of \$390,716, of which \$67,769 has been spent.

NOTE 10: APPROPRIATIONS OF UNRESTRICTED NET ASSETS

The Board of Directors has voted to designate \$375,000 of unrestricted net assets toward the capital campaign for the new building. These funds are in addition to the unexpended temporarily restricted gifts designated by donors for the building.

SUPPLEMENTARY INFORMATION

Capital Area CASA Association
SCHEDULE OF TANF GRANT REVENUE AND EXPENSES
For the year ended December 31, 2008

REVENUE

Grant income	\$ <u>334,310</u>
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EXPENSES

Employee benefits	265
Facility maintenance	309
Furniture and equipment	2,852
Insurance - health	15,941
Insurance - liability	5,555
Insurance - workmen's compensation	1,084
Library subscriptions	493
Office supplies	2,700
Payroll taxes	18,780
Postage	5,360
Printing	4,394
Professional dues	211
Retirement contribution	7,250
Salaries	247,628
Staff training	1,500
Telephone	5,480
Utilities	7,208
Volunteer training	7,300
Total expenses	<u><u>334,310</u></u>

Increase (decrease) in net assets	\$ <u><u>0</u></u>
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Capital Area CASA Association
Baton Rouge, LA

We have audited the financial statements of Capital Area CASA Association (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued our report thereon dated June 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Capital Area CASA Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Capital Area CASA Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Area CASA Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the management and Board of Directors of Capital Area CASA Association, grantors and funders, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Chester & Associates, LLC

Baton Rouge, LA
June 22, 2009